

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)**

**FINANCE COMMITTEE**

**MINUTES**

**December 20, 2022**

**EDC Office, Willmar, and Via Zoom Video Conference**

**Present:** Matt Behm, Michelle Marotzke, Justin Schnichels and Kelly TerWisscha

**Excused:** Nick Dalton, Allen Huselid, Kerry Johnson and Travis Jones

**Staff:** Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager

**Secretarial:** Cathy Skindelien, Legal & Administrative Assistants, Inc.

Chairperson Matt Behm called the meeting to order at approximately 12:07 p.m.

**AGENDA**—There were no changes to the Agenda.

**MINUTES**—There was not a quorum in attendance to approve the Minutes.

**UNFINISHED BUSINESS**—

**Conciliation Court claim against Bronner DBA Re-Cover Temp Agency.** Aaron Backman reported a hearing will be held on February 14, 2023 with Judge Mennis presiding. There has been no communication with Kevin Bronner in the past couple months.

**NEW BUSINESS**—

**Modification of Kandi Adult Care COBAL payments.** Backman reported since the court ruled in the EDC's favor on April 21, 2022, Kandi Adult Care made three payments of \$50 and three payments of \$100 in accordance with the payment schedule. In December, the payment will increase to \$257.22 per month until the balance is paid. Because the business is not operating, its owner Kamaal Geele has requested six additional monthly payments of \$100. The December payment of \$257.22 will go through as scheduled. The consensus of the committee was to approve six additional months of \$100 payments with a formal vote to be taken at the January meeting.

**Willmar Child Care Center.** Sarah Swedburg reported a Purchase Agreement has been signed for the sale of the Willmar Child Care Center property and a closing is anticipated next week. General contractors, many of whom are parents of children who will attend the center, will assist with

renovations that are needed and equipment will be purchased. The goal is to open the center in mid-February 2023.

**Child Care Economic Development Grant.** Swedburg reported the EDC received a Child Care Economic Development Grant award of \$200,000 from the state, which requires a local match to be provided by Kandiyohi County and the City of Willmar. The funds will be used for a forgivable loan program, fee reimbursements, technical support and mentoring. A plan for use of the funds will be submitted to the state by the end of this week. The funds must be spent by the end of 2023. Providers have shown interest in the program. There are 82 family providers and 11 childcare centers, including preschool programs. While the area has been averaging five new family providers per year, it is hoped the grant will spur ten new providers. Kandiyohi County needs approximately 900 slots; 100 children under the age of five were added in Willmar alone this year. The EDC will work with business owners on how to become more involved.

**Review of Loan Applications.** Swedburg reported the Asian Market from Aberdeen, South Dakota, is considering rental space in the Westside Liquor building. A business plan is needed. It is seeking \$35,000 and has approached Wells Fargo Bank. Swedburg is working with the business owner to find a local bank to participate at least 50/50 on its funding needs. Collateral would be inventory and fixtures.

Swedburg reported Dandelion Wishes is a franchise of Mainstream Boutique, a women's clothing retail business. The closest locations are Detroit Lakes, Minnesota, and Sioux Falls, South Dakota. The Willmar location would be the fifth location not located in Greater Minnesota. The owner will pay for leasehold improvements, including dressing rooms and restrooms. It has applied for a \$65,000 loan from Concorde Bank; a \$28,000 loan from Mid-Minnesota Development Commission at 7% interest; and a \$28,000 loan from Southwest Initiative Foundation at 5% interest. It will be requesting \$17,000 five-year loan from the EDC. Staff will be recommending interest at 5.5% as the business owner is a student of the EDC's Elevate Community Business Academy.

**Other.** Backman reported the EDC held a very good meeting with a business prospect from the Netherlands that is looking for locations in the United States for industrial hemp facilities. Backman was approached by another business needing rail access; the area between FedEx and Nexyst 360 may be a possibility. Burlington Northern Santa Fe Railway has invited Willmar to participate in its certification process for the Willmar Industrial Park. Local companies are reporting a change in the labor force. West Central Steel posted a position on Friday and already has six candidates from the area, all of whom are employed, but looking for a better position. Interest rates have not had a detrimental effect on loan rates. Most farmers are doing well with a record year and have healthy balance sheets.

**ADJOURNMENT**—There being no other business, the meeting was adjourned at approximately 1:07 p.m.

**NEXT MEETING**—The next committee meeting is 12:00 p.m., Tuesday, January 10, 2023 at the EDC office and via ZOOM video conference.